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Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-09 ISO-00 CAB-05 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 CIEP-02 FAA-00 L-03
/046 W
----------301234Z 031277 /12
P R 300934Z DEC 76
FM AMCONSUL HONG KONG
TO SECSTATE WASHDC PRIORITY 3225
INFO AMEMBASSY LONDON

UNCLAS HONG KONG 15052

E.O. 11652: N/A
TAGS: EAIR, HK, UK
SUBJECT: CIVAIR: RENEGOTIATION OF U.K. - U.S. AIR SERVICES AGREEMENT

1. SUMMARY: CIVIL AVIATION DEPARTMENT (DCA). HKG WROTE LOCAL BUSINESS ORGANIZATIONS REQUESTING THEIR COMMENTS ON QUALITY OF AIR FREIGHT SERVICE BETWEEN HONG KONG AND U.S. LETTER CITED SUBJECT RENEGOTIATION. AMERICAN CHAMBER OF COMMERCE, ONE OF ADDRESSEES, CALLED SPECIAL MEETING OF ITS TRANSPORTATION COMMITTEE DECEMBER 29 TO FORMULATE REPLY. GUARDED RESPONSE EXPRESSED GENERAL SATISFACTION WITH STSTUS QUO. END SUMMARY.

2. FORM LETTER FROM DCA SENT 12/15/76 TO HONGKONG GENERAL CHAMBER OF COMMERCE, H.K. ASSOCIATION OF AIR FREIGHT FORWARDERS AND CARGO AGENTS, KOWLOON CHAMBER OF COMMERCE, AND AMERICAN CHAMBER OF COMMERCE (AMCHAM).

3. LETTER REFERRED TO SUBJECT BILATERAL AND NOTED QUOTE UNITED KINGDOM LOOKS AFTER HONG KONG'S INTERESTS... CONCERNING SCHEDULED AIR SERVICES ... UNQUOTE. LETTER REQUESTED COMMENTS ON FOLLOWING TOPICS:
QUOTE A) THE GENERAL AVAILABILITY OF EFFICIENT AND EXPEDITIOUS FREIGHT SERVICES TO AND FROM THE USA.
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B) ADEQUATE AVAILABILITY OF AIR SERVICES TO DEAL WITH PEAKS, UNUSUAL REQUIREMENTS AND THE NEED FOR EXPEDITION OF FREIGHT TO MEET DEADLINES.
C) THE AVAILABILITY OF REASONABLE SPREAD OF COMMODITY RATES AND COMPETITIVENESS OF QUOTATIONS RECEIVED FROM THE VARIOUS SCHEDULED AIR CARRIERS OPERATING IN THE MARKET.

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D) THE AVAILABILITY OF SPECIAL CARGO CARRIAGE FACILITIES E.G.
LIVESTOCK, DANGEROUS GOODS AND SO ON.
CLOSE QUOTE.

4. COMMENTS ON QUOTE ... ROLE AND VALUE OF NON-SCHEDULED
SERVICES ACROSS THE PACIFIC ... UNQUOTE WERE ALSO REQUESTED.

5. COMMITTEE MEMBERS IN ATTENDANCE AT SPECIAL AMCHAM MEETING
INCLUDED SENIOR LOCAL REPRESENTATIVES OF PAN AM, NORTHWEST AND
FLYING TIGER.
ATTENDEES COMMENTED ON CONSPICUOUS ABSENCE OF COMMITTEE MEMBER
FROM CATHAY PACIFIC AIRLINES.
COMMITTEE WAS WARY OF QUESTIONS BECAUSE, ACCORDING TO MEMBERS,
U.K. CURRENTLY HOLDS UNEXERCISED RIGHTS BETWEEN HONG KONG AND
U.S. AMERICAN CARRIERS PRESENT STATED THEIR FIRMS WOULD OPPOSE
ENTRY OF BRITISH FLAG CARRIER, INCLUDING CATHAY PACIFIC, INTO
TRANSPAC FREIGHT MARKET. U.S. CARRIERS MENTIONED PLANS TO
INTRODUCE ADDITIONAL 747F SERVICE TO HONGKONG IN NEAR FUTURE.

6. CONSENSUS FOR REPLY WAS AMCHAM GENERALLY SATISFIED WITH
PRESENT QUALITY OF SERVICE, INCLUDING FLIGHT FREQUENCY, CAPACITY
AND SPECIAL HANDLING AND REASONABLENESS OF RATE STRUCTURE.
ANSWER WILL INCLUDE AMCHAM BELIEF THAT CAPACITY ADDITIONS WILL
OCCUR IN DIRECT RESPONSE TO GROWTH IN DEMAND.

7. RE RATE STRUCTURE, CARRIERS POINTED OUT EXISTENCE OF 12
SPECIFIC COMMODITY RATES BETWEEN HONG KONG AND NEW YORK WHICH
COVER SUCH COMMODITIES AS GARMENTS AND ELECTRONIC PRODUCTS,
TWO OF MAJOR SOURCES OF LOCAL AIR FREIGHT. ALSO, THEY STATED
THAT REGIONAL NON-IATA CARRIERS CHARGE LESS THAN IATA RATES
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DURING SLACK PERIODS, BUT CHARGE ABOVE IATA RATES DURING
PEAK TRAFFIC SEASON.

8. DCA REQUESTED REPLY BY 1/7/77. AMCHAM PROMISED COPY OF
RESPONSE TO POST. COPY OF DCA LETTER BEING FORWARDED TO
DEPT. BY POUCH. COPY OF AMCHAM LETTER WILL FOLLOW.
CROSS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, AGREEMENTS, NEGOTIATIONS, AIR ROUTES
Control Number: n/a
Copy: SINGLE
Draft Date: 30 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976HONGK15052
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760476-0161
From: HONG KONG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976124/aaaaadhq.tel
Line Count: 104
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: vogelfj
Review Comment: n/a
Review Content Flags:
Review Date: 04 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 JUN 2004 by chengls>; APPROVED <28 DEC 2004 by vogelfj>
Review Markings:

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US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: RENEGOTIATION OF U.K. - U.S. AIR SERVICES AGREEMENT
TAGS: EAIR, HK, UK
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006